

## **REMARKS**

### **I. Claim Objections**

Claims 15 and 16 have been amended as suggested in the Office Action.

### **II. Section 101 Rejections**

Applicant submits that the pending claims satisfy the subject matter requirements of § 101. In particular, the claims have practical utility. Claims 1-11 and 20-21 are directed generally to methods for guarantying a minimum cash flow for a business entity that holds at least one facility that converts a first commodity to a second commodity (e.g., a power plant). This method is useful because the minimum cash flow helps the business entity support an efficient financing. See application at paragraphs [0006] to [0007]. Claims 12-16 are directed generally to computer systems that determine when an option grantor is required to make a payment under such a financing structure. Claims 17-19 are directed to a computer readable medium having stored thereon instructions, which when executed by a computer device, cause the computer device to determine when the option grantor is required to make a payment under the financing structure.

### **III. Section 103 Rejections**

Claims 1-21 were rejected under 35 U.S.C. § 103(a) as being obvious over the combination of published U.S. patent application Pub. No. 2004/0225514 to Greenshields et al. ("Greenshields") and U.S. Patent 6,950,806 to Dines et al. ("Dines"). The rejections should be withdrawn for at least two reasons: (1) Greenshields does not qualify as prior art under 35 U.S.C. § 103(c); and (2) Greenshields and Dines do not render the claims obvious. These points are addressed in order below.

A. Greenshields does not qualify as prior art under § 103(c)

Greenshields and the present application were, at the time the invention of the present application was made, owned by Morgan Stanley (a Delaware corporation). In fact, both applications have been assigned to Morgan Stanley. See reel/frame 019430/0949 (Greenshields) and reel/frame 015800/0647 (the present application). Therefore, Greenshields does not qualify as prior art.

B. The cited references do not render the claims obvious

There are several flaws in the obviousness analysis set forth in the Office Action. These flaws include:

- **First**, the Office is wrong when it states that Greenshields teaches the step of “establishing a contract between the business entity and an option grantor.” The Office appears to contend that the SPV in Greenshields is the option grantor of claim 1, but the SPV in Greenshields does not grant an options-based contract to the power distributor. Rather, the SPV and the power distributor enter in a power purchase agreement. Indeed, the Greenshields application describes the limited responsibilities and obligations of the SPV, and they do not include entering into an options contract.
- **Second**, the Office is wrong when it states that Greenshields teaches “where the value of the each option in the strip is based on a spread between the price of the second commodity and the cost of producing the second commodity from the first commodity, where the price and cost are assessed based on price and cost information over the look-back period.” Greenshields does not even disclose options or look-back periods, so it cannot disclose these features of claim 1. The Office cites to particular paragraphs of Greenshields as disclosing these features, but the cited paragraphs

pertain to debt service for debt instruments issued by the SPV, which is entirely different from the subject matter claim 1.

◦ **Third**, the Office totally ignores the limitation of claim 1 that the “value of each option in the strip is based on a spread between the price of the second commodity and the cost of producing the second commodity from the first commodity.” The Office Action does not identify either Greenshields or Dines as teaching or suggesting this feature of claim 1. Nor does the Office Action explain why this feature would have been obvious to a person having ordinary skill in the art. See MPEP § 2142 (“The key to supporting any rejection under 35 U.S.C. 103 is the clear articulation of the reason(s) why the claimed invention would have been obvious.”).

For at least these reasons, applicant submits that the pending claims are not obvious.

### **CONCLUSION**

Applicant respectfully submits that all of the claims presented in the present application, as either amended or initially presented in this Amendment, are in condition for allowance. Applicant's present Amendment should not in any way be taken as acquiescence to any of the specific assertions, statements, etc., presented in the Office Action not explicitly addressed herein. Applicant reserves the right to address specifically all such assertions and statements in subsequent responses. In addition, applicants reserve the right to make additional arguments as may be necessary to distinguish further the dependent claims from the cited reference based on additional features contained in the dependent claims that were not discussed above. A detailed

discussion of these differences is believed to be unnecessary at this time in view of the basic differences discussed above with respect to the independent claims.

Applicant has made a diligent effort to properly respond to the Office Action and believe that the claims are in condition for allowance. If the Examiner has any remaining concerns, the Examiner is invited to contact the undersigned at the telephone number set forth below so that such concerns may be expeditiously addressed.

Respectfully submitted,



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